

Rural Utilities Service, USDA

§ 1721.1

the Secretary of Labor for purposes of investigation to ascertain compliances with such rules, regulations and orders.

(f) In the event of the contractor's non-compliance with the non-discrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in said Executive Order or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

(g) The contractor shall include the provisions of paragraphs (a) through (g) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to section 204 of Executive Order 11246, dated September 24, 1965, so that such provisions shall be binding upon each subcontractor or vendor. The contractor shall take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance: Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

EXHIBIT C-1—MANAGER'S CERTIFICATE REQUIRED UNDER LOAN CONTRACT SECTION 6.14 FOR ADDITIONAL NOTES

On behalf on _____ [Name of Borrower] _____ I hereby certify that the Additional Note or Notes to be issued under Section [2.01] of the Mortgage on or about _____ [Date Note or Notes are to be Signed] _____ meet all of the requirements of Section [6.14] of the Loan Contract, namely:

(a) The weighted average life of the loan evidenced by such Notes (_____ years) does not exceed the weighted average of the expected remaining useful lives of the assets being financed (_____ years) as evidenced by the attached calculation of said weighted average lives.

(b) The principal of the loan evidenced by such Notes shall either be [check one and provide evidence in the second case]:

_____ (1) repaid based on level payments of principal and interest throughout the life of the loan, or

_____ (2) amortized at a rate that shall yield a weighted average life that is not greater than the weighted average life that would result from level payments of prin-

cipal and interest throughout the life of the loan as evidenced by the attached analysis of said weighted average lives.

(c) The principal of the loan evidenced by such Notes has a maturity of not less than 5 years.

[Signed] _____
[Dated] _____
[Name] _____
[Title] _____
[Name and Address of Borrower] _____

EXHIBIT C-2—MANAGER'S CERTIFICATE REQUIRED UNDER LOAN CONTRACT SECTION 6.14 FOR REFINANCING NOTES

On behalf on _____ [Name of Borrower] _____ I hereby certify that the Additional Note or Notes to be issued under Section [2.02] of the Mortgage on or about _____ [Date Note or Notes are to be Signed] _____ meet the requirement of Section [6.14] of the Loan Contract that the weighted average life of such Notes is not greater than the weighted average remaining life of the Notes being refinanced, as evidenced by the attached calculation of said weighted average lives.

[Signed] _____
[Dated] _____
[Name] _____
[Title] _____
[Name and Address of Borrower] _____

PART 1721—POST-LOAN POLICIES AND PROCEDURES FOR INSURED ELECTRIC LOANS

AUTHORITY: 7 U.S.C. 901 et seq.; 7 U.S.C. 1921 et seq.; Pub. L. 103-354, 108 Stat. 3178 (7 U.S.C. 6941 et seq.).

EDITORIAL NOTE: Nomenclature changes to part 1721 appear at 55 FR 39397, Sept. 27, 1990.

Subpart A—Advance of Funds

§ 1721.1 Advances.

(a) Purpose and amount. With the exception of minor construction, insured loan funds will be advanced only for projects which are included in an RUS approved Borrower's construction workplan or approved amendment and in an approved loan, as amended. Loan fund advances can be requested in an

amount representing actual costs incurred but not to exceed 130 percent of the project cost estimate on the approved RUS Form 740c, "Costs Estimates and Loan Budget for Electric Borrowers,"¹ as amended. Minor construction is defined as a project costing \$25,000 or less. Such projects qualify for advance of loan funds even though they may not have been included in an RUS-approved Borrower's construction workplan, amendment to such workplan or approved loan. Total advances requested shall not exceed the total loan amount. All projects for which loan fund advances are requested must be constructed to achieve purposes permitted by terms of the loan contract between the Borrower and RUS.

(b) *Certification.* Pursuant to the applicable provisions of the RUS loan contract, Borrowers shall certify with each request for funds to be approved for advance that such funds are for projects in compliance with this section and shall also provide for those that cost in excess of \$25,000 a contract or work order number as applicable and a workplan cross-reference identification.

For a minor project not included in an RUS approved Borrower's construction workplan, the Borrower shall describe the project and do one of the following to satisfy RUS's environmental requirements (see 7 CFR part 1794).

(1) If applicable, state that the project is a categorical exclusion of a type described in 7 CFR 1794.31(b) which normally does not require preparation of a Borrower's Environmental Report (BER); or

(2) If applicable, state that the project is a categorical exclusion of a type that normally requires a BER and then:

(i) Submit the BER with the request for funds to be approved for advance, or

(ii) If applicable, certify that it has analyzed the minor project with respect to a comprehensive service area environmental map and data base collected and used in preparing the BER for its RUS-approved Borrower's con-

struction workplan, and that on the basis of that information the minor project will not be located in an environmentally sensitive area or location.

(c) *Noncompliance.* Where insured loan funds are found to have been advanced in noncompliance with this rule, Borrowers will be required to return the appropriate amount of the over advance together with any accrued and unpaid interest to RUS. The Administrator will require Borrowers, in order to remedy such noncompliance, to pay an additional amount equal to the interest on the funds over advanced for the period such funds were outstanding, calculated at a rate equal to the difference between the RUS loan interest rate and the most recent rate at which RUS sold Certificates of Beneficial Ownership (CBO's). While RUS will generally permit the amount of over advance returned to be requested subsequently by the Borrower for RUS approved projects, nothing herein contained shall be construed to preclude RUS from exercising any rights or remedies which RUS may have pursuant to the loan contract.

[50 FR 5368, Feb. 8, 1985. Redesignated at 55 FR 39395, Sept. 27, 1990]

Subpart B—[Reserved]

PART 1724—ELECTRIC SYSTEM PLANNING AND DESIGN POLICIES AND PROCEDURES

Subpart A—General [Reserved]

Subpart B—Architectural Services [Reserved]

Subpart C—Engineering Services [Reserved]

Subpart D—Electric System Planning [Reserved]

Subpart E—Electric System Design

Sec.

1724.41 Compliance with National Electrical Safety Code.

1724.42—1724.44 [Reserved]

1724.45 Permitted deviations from RUS construction standards.

¹A copy of these forms and publications may be obtained by writing the Rural Utilities Service, Washington, DC 20250.

AUTHORITY: 7 U.S.C. 901 *et seq.*; 7 U.S.C. 1921 *et seq.*; Pub. L. 103-354, 108 Stat. 3178 (7 U.S.C. 6941 *et seq.*).